Energy prices are the top consumer concern

- Consumer concern about essential prices has fallen in the last year
- But energy prices remain the top concern at 66% (down from 77% last year)

Proportion of people who are worried about...

- Energy prices: 66%
- Public spending cuts: 62%
- Interest on savings: 59%

Trust in the energy market is low

- The energy sector is the least trusted sector, bar car dealers
- Being ‘profit driven or greedy’ is the top reason for lack of trust

**Trust in industry to act in consumers’ best interests**

- Food/Groceries: 55% Trust, 10% Don’t Trust
- Broadband/Home phone services: 41% Trust, 19% Don’t Trust
- Mobile phone services: 33% Trust, 22% Don’t Trust
- Banking: 36% Trust, 33% Don’t Trust
- Long-term financial products: 24% Trust, 35% Don’t Trust
- Gas and electricity: 24% Trust, 42% Don’t Trust

Source: Which? Consumer Insight Tracker
Municipal/community energy

- 32% of consumers believe a ‘local supplier conducting a community energy project’ would be more likely to give a fair deal, cf small energy retailer 25%, large energy retailer 11% (Yougov for Ovo, 2014)
- New models emerging: eg Ovo Communities/Cheshire East Council - Fairerpower, £948 dual fuel average. Others launching soon.
- Heat networks - all consumers should be protected and have heating that is suitable for their home
- Welcome Ofgem discussion paper on non-traditional business models
- Offers decarbonisation opportunities - Which? supports low-carbon transition at acceptable cost to the consumer
- Offers energy efficiency/DSR opportunities - eg working with local, area-based schemes
Benefits of locally provided services

• Energy efficiency - a locally-led, area-based approach deserves far more policy emphasis and resource:
  – Local knowledge on homes and residents - targeting, engagement
  – More consumers would trust an energy efficiency scheme endorsed by the council than any other organisation:
    • 63% council, 61% community group, 52% energy supplier.
  – Local authorities, housing
  – Local partnerships, area-based - economies of scale

• Smart meters - need for greater co-ordination e.g. around flats and high-rises. Housing associations, local authorities, community groups could play useful role including with consumer engagement.
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• Unregulated and unlicensed, lack of data on consumer bills and satisfaction
• Which? conducted focus groups and interviews, and reviewed price data for c. 80,000 customers (50+ schemes)
• Consumer bills - variable, some paying more than standard tariff gas and elec, no ongoing monitoring of efficiency
• Long-term contracts - 30-40 yrs +, no switching

• We’d like to see:
  – Better reporting, clearer bills
  – Improved complaints handling, ombudsman coverage
  – Does voluntary consumer protection scheme goes far enough?
  – Review for fair pricing: price caps, opt-outs?
Key themes/questions

Themes
• Energy is an essential service: consumers still deserve effective protection and fair and transparent pricing
• Accurate claims, clear communication, good complaints handling.
• Local schemes should aim to integrate with energy efficiency, smart meter rollout etc

Questions
• How to ensure affordability? How will consumer bills compare across different models and vs ‘standard’ model?
• How to ensure transparency around price and Ts & Cs?
• How to ensure consumer protection - is regulation needed, how much?
• How can local authorities/municipal schemes be helped to ensure they are working in the best interests of consumers?